

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7865

BILL NUMBER: HB 1662

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Broadband Availability Study.

FIRST AUTHOR: Rep. Austin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the Utility Regulatory Commission (IURC) to conduct a study to determine the availability and quality of broadband service in Indiana. This bill specifies certain data that the IURC must collect in conducting the study. This bill also requires the IURC to prepare certain maps depicting the availability of broadband service in Indiana. The bill allows the IURC to use certain sources of information to determine the areas in which providers offer broadband service in Indiana. The bill also requires the IURC to report the findings of its study to the Regulatory Flexibility Committee (Committee) not later than November 1, 2008. The bill specifies certain information, analyses, and recommendations that the report must contain. The bill also allows the Committee or the Legislative Council to require status reports on the IURC's study before the final report is due. The bill allows the Committee to recommend legislation to encourage the provision of broadband service in underserved areas, based on the Committee's review of the IURC's findings. The bill also provides that certain information collected or reported by the IURC is confidential. The bill requires the IURC and the Committee to exercise necessary caution to avoid disclosure of confidential information.

Effective Date: Upon passage.

Explanation of State Expenditures: This bill will increase the administrative expenditures of the Utility Regulatory Commission (IURC) and the Regulatory Flexibility Committee. The bill requires the IURC to conduct a study to determine the availability and quality of broadband service in Indiana. The bill requires the Reg Flex Committee to make legislative recommendations based on the study by the IURC. It is estimated that both of these entities can implement the provisions of the this bill through the use if existing staff and resources.

Background: The operating budget of the IURC is currently funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.15% of their gross intra-state operating revenues to fund the IURC. In FY 2006, fees from the utilities and fines generated approximately \$11.8 M.

The expenditures of the Regulatory Flexibility Committee are paid from the budget of the Legislative Services Agency. The budget for the Regulatory Flexibility Committee is set by the Legislative Council. The 2006 interim budget for the Regulatory Flexibility Committee was \$16,500, and it is not estimated that this bill would require an increase in that budget for the Committee.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Utility Regulatory Commission; Legislative Services Agency.

Local Agencies Affected:

Information Sources:

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